

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x CASE # 08- 13555 (JMP)
CHAPTER 11

In Re:

LEHMAN BROTHERS HOLDINGS INC., et.al.

SUPPLEMENTAL RESPONSE
TO NOTICE OF OBJECTION

Debtor.

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ANTHONY BALSAMO, an attorney licensed to practice law in the State of New York, submits this response in opposition to the supplemental NOTICE OF OBJECTION submitted on behalf of LEHMAN BROTHERS HOLDINGS INC. (LBHI) .

1. Richard Katz has stated in the declaration submitted in support of the instant application, that the BNC loan was sold to Carrington (Normandy Mortgage Company, LLC) on September 10, 2013.

2. However, at the time the loan was sold, BNC was involved in a State Court action, and had obtained a default judgment against all third party defendants except Matteo Patisso d/b/a New Millennium Capital. BNC was also granted an equitable lien against the Boors' property.

3. Upon information and belief, the transfer of the loan to Carrington was subject to the state court action, and Carrington may resume prosecuting the state court action.

4. It is respectfully submitted, that the sale was also

subject to the equitable claim for rescission which comprises the first cause of action. If the Court were to expunge the claim for equitable relief against BNC, as requested by the Plan Administrator, the Boors could be barred from asserting this claim against Carrington.

5. Accordingly, it is requested that the Court issue an Order that the transfer of the loan from BNC to Carrington is without prejudice to the equitable claims set forth by the Boors in the state court action.

WHEREFORE, it is respectfully requested that the Court deny the application to expunge the claim for rescission, and for such other and further relief as is just and proper.

DATED: NEW YORK, N. Y.
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Yours, etc,
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